

INDEPENDENT ACCOUNTANT'S REPORT

TOWN OF MANITOU, OKLAHOMA

JULY 1, 2012 TO JUNE 30, 2013

BY



FURRH
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Manitou
Manitou, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Manitou, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2013 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Manitou is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agree-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Finding

As to the **Town of Manitou** as of and for the fiscal year ended June 30, 2013:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: We found no instances of noncompliance.

- 3. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the PWA Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: We found no instances of noncompliance.

- 4. Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: We found no instances of any significant or unusual reconciling items.

- 5. Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: We found no uninsured or uncollateralized deposits.

6. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

7. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

8. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

As to the **Town of Manitou Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of grant activity for each grant and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement(s).

Findings: We found no instances of noncompliance.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC
October 19, 2013

Town of Manitou
Manitou, Oklahoma
Summary of Changes in Fund Balance
Modified Cash Basis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Beginning of Year Fund Balances	Current Year Receipts	Interfund Transfers	Current Year Disbursements	End of Year Fund Balances
General Fund	\$ 61,613	\$ 6,603	\$ 309,079	\$ (302,222)	\$ 75,073
Public Works Authority	0	388,824	(263,798)	(125,026)	0
JVC Water Settlement Fund	47,644	0	(47,644)	0	0
Cemetery Care Fund	499	0	0	0	499
Emergency Savings Fund	35,780	31	(6,637)	0	29,174
Capital Improvements Fund	31,940	13,455	0	0	45,395
Fire Department Fund	5,256	30,846	9,000	(43,178)	1,924
OWRB-Grant Fund	78	99,450		(99,450)	78
CDBG Water Line Fund	199	0	0	0	199
Overall Totals	\$ 183,009	\$ 539,209	\$ 0	\$ (569,876)	\$ 152,342

Please see accompanying Accountant's Report.

TOWN OF MANITOU, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS
General Fund
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts Original / Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 61,613	\$ 61,613	\$ 0
Resources (Inflows):			
Interfund transfers	317,000	309,079	7,921
Taxes	6,800	5,697	1,103
Miscellaneous	700	841	(141)
Interest Income	50	65	(15)
Total Inflows	<u>324,550</u>	<u>315,682</u>	<u>8,868</u>
Amounts Available for Appropriation	<u>386,163</u>	<u>377,295</u>	<u>8,868</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal Services	110,000	103,503	6,497
Maintenance, Operations, Repairs	210,000	181,319	28,681
Capital Outlay	66,163	17,400	48,763
Total General Government	<u>386,163</u>	<u>302,222</u>	<u>83,941</u>
Total Charges to Appropriations	<u>386,163</u>	<u>302,222</u>	<u>83,941</u>
Ending Budgetary Fund Balance:	<u>\$ 0</u>	<u>\$ 75,073</u>	<u>\$ (75,073)</u>

Please see accompanying Accountant's Report.

TOWN OF MANITOU, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS
Public Works Authority Fund
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts Original / Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 0	\$ 0	\$ 0
Resources (Inflows):			
Electric Utility Collection	275,000	266,086	(8,914)
Water Utility Collection	60,000	58,935	(1,065)
Garbage Collection	40,000	41,831	1,831
Fuel Cost Adjustment	37,000	36,277	(723)
Sewer Income	21,000	20,403	(597)
Miscellaneous Income	10,000	9,216	(784)
Taxes	4,000	3,720	(280)
Total Inflows	<u>447,000</u>	<u>436,468</u>	<u>(10,532)</u>
Amounts Available for Appropriation	<u>447,000</u>	<u>436,468</u>	<u>(10,532)</u>
Charges to Appropriations (Outflows):			
General Government:			
Utility Expenses	130,000	125,026	(4,974)
Transfers to General Fund	317,000	311,442	(5,558)
Total General Government	<u>447,000</u>	<u>436,468</u>	<u>(10,532)</u>
Total Charges to Appropriations	<u>447,000</u>	<u>436,468</u>	<u>(10,532)</u>
Ending Budgetary Fund Balance:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
REAP GRANT- Manitou-12
Revenue and Expenditures Compared with Budget
Modified Cash Basis
Year Ended June 30, 2013

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Revenue	\$ 55,000	\$ 0	\$ 55,000
<u>Expenditures</u>			
Administrative Expenses	3,300	0	3,300
Engineering Expenses	14,601	0	14,601
Repairs	<u>37,099</u>	<u>0</u>	<u>37,099</u>
Total Expenditures	55,000	0	55,000
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Oklahoma Department of Commerce
15132 CDBG 12
Revenue and Expenditures Compared with Budget
Modified Cash Basis
Year Ended June 30, 2013

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant Revenue	\$ 14,000	\$ 0	\$ 14,000
<u>Expenditures</u>			
Engineering Expenses	<u>14,000</u>	<u>0</u>	<u>14,000</u>
Total Expenditures	14,000	0	14,000
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CFDA No: 14.228
08/01/12 - 07/31/2014

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Oklahoma Water Resources Board
REAP Grant - FAP-07-0032-R
Revenue and Expenditures Compared with Budget
Modified Cash Basis
Year Ended June 30, 2013

<u>Revenue</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
Grant Revenue	\$ 99,450	\$ 0	\$ 99,450	\$ 0
Matching Funds	40,325	0	40,325	0
Total Revenue	139,775	0	139,775	0
<u>Expenditures</u>				
Inspection Expenses	4,250	0	2,875	1,375
Engineering Expenses	10,200	0	9,500	700
Waterline Improvements	125,325	0	127,400	(2,075)
Total Expenditures	139,775	0	139,775	0
Revenue Over (Under) Expenditures	\$ 0	\$ 0	\$ 0	\$ 0

Please see accompanying Accountant's Report.